# HUMAN EVENTS

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**News Section** *Printed in Two Sections*

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**'Squanderbust' Budget:** Senators and Representatives — at least the realistic ones — these days are unhappily contemplating a fact which is of a potentially explosive character. Those who habitually, after looking a fact in the face, put it firmly behind them, naturally prefer to talk about how deeply they had just cut the Commerce Department budget (indeed, a commendable 25 per cent cut).

But veterans in the cloakroom get off in a corner and talk dismally of what might happen when the fact evolves into a situation in their states and districts. What they are saying is best put by Representative August Johansen (R.-Mich.), who has voted for every proposed cut so far, and who says in his outspoken newsletter to constitutents: "The irony of the whole proceeding [cutting the Budget] is that the reductions do not represent a cut in the present scale of spending, but only in the proposed increases for the new fiscal year. Worse yet, even these Budget cuts may very well be restored by the Senate." The question anxiously asked is: When the folks back home realize this, what will they do? In short, how will constituents act when they discover that only about 2.5 billions have been cut, instead of an expected 5 or 6 billions?

Over on the Senate side of the Capitol, many among those who are not up for re-election next year bask rather comfortably in the light of some positive developments in the field of economy.

They pass from mouth to mouth an encouraging tale which usually well-informed sources in the White House have confirmed, upon inquiry from members of the HUMAN EVENTS staff. It is this:

> **The President and his entourage — partly as a result of a flood of mail protesting the size of the Budget and addressed right to the White House itself — have decided to make some concessions on foreign aid in an effort to stave off really deep cuts by the legislative body. He will send a message to Congress tolerantly okaying a several hundred million dollar reduction in the requested $4.4 billion for foreign aid. Also Dulles is hinting we will make more "loans" abroad instead of "grants." Additionally, Ike's recommendation that Congress chop $254 million from the Agriculture Department's budget seems a part of this strategy of partial compromise. These are not very handsome concessions to economy demands, but they do represent progress.**

Will the upshot look like enough progress to the constituents? There are some in the Senate who aren't so sure. There is, for instance, Senator Barry Goldwater (R.-Ariz.) whose speech this week has rocked not only the GOP national headquarters but even the Palace Guard itself. Goldwater pointed an accusing finger at the President himself (whose Budget the Senator called a "squanderbust"). Then he looked warningly at his colleagues around him on the Senate floor and said that if the Budget isn't cut "drastically" (that is, presumably more than the level of the current year), "there will be a lot of people on both sides of the aisle who will not be here two years from now." He added ominously that he himself might be missing, but it will not be because he cast a vote "against the taxpayers."

As one colleague commented: "A word to the wise."

> **In 1952, General Dwight D. Eisenhower wrote from his NATO headquarters in France to a friend in the United States: "Excessive spending in the long run can be as dangerous to our way of life as external threats."**

**The Spenders Lobby:** The biggest, most powerful lobby in Washington is the Executive arm of the Government. In the miles of great white office buildings "downtown" in the Nation's Capital reside the most skillful lobbyists in the country — bureaucrats who know how to threaten, cajole and manipulate members of Congress up on Capitol Hill. Last week, these maneuverers pulled off one of their most brilliant coups — the passage of the $50 million appropriation for Federal subsidization of local sewage disposal plants. The plot was hatched in the Department of Health, Education and Welfare (headed by Marion Folsom, a Republican New Dealer and old admirer of Franklin D. Roosevelt).

Here — according to exclusive information from excellent sources to HUMAN EVENTS — is how it worked: On Tuesday, April 2, the item on the sewage disposal plants, amounting to $50 million, came up on the floor of the House, for a teller vote (which is not a record vote). The measure was defeated as a result of firm GOP-leadership opposition to it, combined with a rallying of Southern conservative opposition among the Democrats. However, those on the floor and in the galleries were able to ascertain names of many members, particularly Republicans who represent difficult marginal districts and who voted "no."

A well-organized telephone campaign commenced — lasting over the following two days. Officials in the Department of Health, Education and Welfare

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would phone these members, informing them that their districts were going to be allotted grants for sewage disposal plants. If the member showed lack of enthusiasm, then the HEW official would contact the local mayor to be benefited and suggest that he wire the Congressman, urging the latter to vote for the appropriation when it was called up on the floor for a roll-call vote, Thursday, April 4.

So successful was this lobbying operation that when the sewage disposal money bill came up for the second and final time on April 4, it passed.

Economy advocates expressed keen disappointment, as passage of the appropriation opens the gate wider for the most expensive sort of boondoggling. In the Republican Conference, as the story of how this lobby worked was revealed, many members indignantly demanded that the HEW officials be sought out and fired on the spot.

**Post Office Imbroglio:** "The Post Office, the perfect case the Socialists always cite to prove that socialism is better than free enterprise, has come a-cropper," says Representative Ralph Gwinn (R.-N.Y.). "Though it has a Government monopoly, it can't pay expenses. The loss last year was more than a half billion dollars. Congress said, 'Improve your methods, cut costs. Put in machinery and cut down the losses.'

"The House reduced the budget the Post Office asked for by only one per cent. But immediately the Post Office politicians retaliated by reducing services, reducing deliveries, delaying mails, delaying business and throwing thousands of men out of jobs. . . . This in the 'most prosperous period of all time.' Here we have the old game of squeezing the people, to make them bring pressure on Congress to pay the losses. The Postmaster General even instructed all the Postmasters across the country to 'give wide publicity to the readjustments provided for in this order.' Time is short. Congress must be made to jump through the hoops by violent protests of the public."

The above item is taken from the June 7, 1950 issue of HUMAN EVENTS — describing a situation strikingly similar to that facing Congress and the nation this week. Then, Truman's Postmaster General Donaldson, a Democrat, was putting the squeeze on Congress. Today, it is Postmaster General Summerfield, a Republican, who is exerting the pressure.

HUMAN EVENTS yesterday phoned Congressman Gwinn and reminded him of his statement of 1950. "It's much the same today," he replied.

Not all Republicans rise above party. Representative Gordon Canfield (R.-N.J.) has led the cry for funds for Summerfield. Democratic Representative Cannon (Mo.) who has held out against the Postmaster General today, twitted Canfield by recalling that the latter found it "shocking" when the Truman Administration came up with a similar belated plea for extra funds. Cannon said that Canfield (known as a "modern Republican") has developed a "shock-absorbing system" under the Eisenhower Administration. But, has Canfield — or anyone else — looked up what Cannon said in 1950 about the similar situation?

**USIA:** Newly published testimony before a House Appropriations Subcommittee reveals that the United States Information Agency is paying scores of newspapermen throughout the country to write "special" stories about news developments of interest abroad.

Commented Representative Frank T. Bow of Ohio: ". . . it looks to me as though these people were spotted all over the United States to propagandize for this agency." Certainly, he noted, when something of a critical nature arises concerning USIA, a newsman who is selling stories to the agency and personally receiving compensation for them is going to do what he can to present the agency's side of the case.

USIA, he pointed out, has available the full files of AP, UP, and INS, which cover domestic developments far better than the Agency could hope to do.

Subcommittee Chairman Rooney of New York noted payment of $100 to sportswriter Arthur Daley of *The New York Times* for a special story about Manager Casey Stengel of baseball's New York Yankees, and added that he read stories about Stengel almost every day in the year. He was unimpressed by the USIA contention that Daley's byline made the story more valuable.

The hearings also disclosed:

The USIA is buying $218,490 worth of subscriptions to the ultra-internationalist *New York Times* and *New York Herald Tribune* for free distribution to foreign leaders.

In a press release, the USIA described the objectives of its program in the British Caribbean island of Trinidad thus: "To promote the growth of democracy within the British Caribbean Federation . . . To encourage responsible self-government within the British Commonwealth, and a rejection of extremist policies." Bow, who dug up the USIA quote, said that he doubted the liking of the British for this.

**Strategic Air Command:** The promotion of General Curtis LeMay (to Vice Chief of Staff of the Air Force) has stirred misgivings on Capitol Hill. LeMay, who leaves his position as head of the Strategic Air Command, is known and respected as a seasoned fighter. Washington was confident that, under LeMay's leadership, SAC (America's retaliatory arm in the event of Soviet attack) was at all times ready to strike quickly. LeMay's successor has not been announced. Military analysts are fervently hoping that the replacement will be of the same caliber as LeMay and that he will not be an inexperienced officer, lacking the capacity to take the decisive and vigorous steps that would be necessary to fend off Communist aggression.

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**Labor Front:** A majority of the voters of Sheboygan, Wis., defeated Mayor Rudolph Ploetz, who sought re-election on April 2. Ploetz had become mayor with the backing of the CIO strikers at the nearby Kohler Company plant. He permitted the strikers to stage a riot on the city dock, aimed successfully at preventing the unloading of a ship of pottery clay consigned to Kohler. In last week's election, Ploetz was again the union candidate. His opponent, John Bolgert, emphasized that he (Bolgert) would represent all of the citizens of the city and not "any special interest groups." Bolgert won.

● The already troubled Teamsters Union now faces the probable loss of what has been its strongest weapon against recalcitrant employers who have tried to stand up against its contract demands; the so-called "hot cargo" clause.

Contained in most Teamsters' contracts, this clause provides that contracting truck lines or other employers will not handle any goods designated by the union as "hot." It has been used in many cases as a highly effective secondary boycott, to confront employers with the alternatives of signing a union contract or being forced out of business.

This week, an Interstate Commerce Commission examiner recommended that truck lines which refuse to handle cargo simply because it has been designated "hot" by the union, be denied ICC licenses to operate. Such recommendations become effective as formal orders if no appeal is filed within 20 days; if there is an appeal, they usually are upheld by the full Commission.

The examiner reasoned that common carriers are supposed to accept any cargo they are offered, assuming it complies with ICC regulations; the mere fact that the union tells them not to accept it, he said, does not exempt them from ICC license provisions to the contrary.

The clauses are illegal, as far as the National Labor Relations Board is concerned, under the Taft-Hartley law's prohibition against secondary boycotts. Despite several suits, however, the Supreme Court has avoided any direct ruling on the question.

The present case was brought by Desmond A. Barry of Galveston, Texas, who more than two years ago faced a Teamsters Union threat to sign up or else. He refused; the "or else" turned out to be a refusal by other truck operators to transship his line's cargoes, and he complained to the ICC.

**Canada and Subversives:** Washingtonians watching the dispute over the death of Canadian diplomat E. Herbert Norman, as it unfolded last week, recalled the days of the Lattimore-McCarthy-IPR wrangle. The performance of the "liberal" press in the Norman matter, it is said, approaches the high-water mark of misrepresentation reached in the old campaign to smear and discredit Senator McCarthy. Current target is Internal Security Subcommittee Counsel Robert Morris, whose questioning of U.S. foreign service officer John K. Emmerson focused public attention on Norman's network of past Communist relationships. Inquiry about Norman was incidental to the hearing, directed at illuminating the activities and associations of Emmerson.

When Norman fell to his death April 4, the "liberal" press went into a high gear campaign of vilification. "The Internal Security Subcommittee," stated the *Washington Post*, "is directly responsible for the persecution which may have led to Ambassador Norman's death." Five days later the leftwing Americans for Democratic Action demanded that Morris be fired from his job as counsel to the committee.

In their uproar of accusations against the committee, however, the "liberals" conveniently suppressed Norman's Communist background, and the significance of the case for the security of the United States. Here are the facts — which you probably won't see in your daily paper:

● Norman was cheek and jowl with a number of important American Communists and pro-Communists. He was the executive secretary of the Canadian affiliate of the Communist-front "American Friends of the Chinese People." He was a functionary of the Communist-dominated Institute of Pacific Relations, and a frequent contributor to IPR's pro-Communist publications. Dr. Karl Wittfogel, himself a former Communist, testified that he knew Norman as a member of a Communist study group, and that it was "obvious" that Norman was a Communist.

● The inquiries of the Canadian Royal Commission in 1946 showed that Canada was a staging point for espionage and subversion in the United States. Prime Minister Mackenzie King stated in the House of Commons that "these documents disclose among other things that Canada was being made a base to secure information on matters of very great and grave concern to the United States and also to Great Britain. . . ." In the light of these findings by Canadian sources, it is now deemed imperative that the United States be on guard against Communists from North of the border — especially if they have interlocking relationships with American subversives. Washington will not soon forget the case of British diplomats Burgess and Maclean, who reportedly "knew everything" about American plans in the Korean war, and defected with their knowledge to the Communists.

As for Canada's so-called "clearance" of Norman, it is recalled that atom spy Klaus Fuchs, who came to America to work in our atomic energy project, had also received "clearance" from British authorities.

**Five Amendments:** The Campaign for the 48 States discloses that its program of "five amendments" to preserve American constitutional government is making impressive forward progress. A report as of April 2 shows that the amendments have aggregated

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60 "wins" in state legislatures against only two "losses." (A "win" is a resolution by a state legislature, petitioning Congress for action on one or the other of the amendments.) The most successful amendment so far calls for sharp limitation of the Federal income tax, usually to 25 per cent. Idaho and Arkansas last month became the 32nd and 33rd states to petition Congress for passage of an income tax amendment.

**Under Article V of the Constitution, Congress is obliged to call a constitutional convention "to propose amendments," when the legislatures of two-thirds (or 32) of the States have formally requested it.**

The other four amendments would: bring the electoral system into conformity with the balance of power dictated by the Constitution; provide that the Constitution can be amended by three-fourths of the state legislatures, bypassing Congress; require a balanced Budget in times of peace; limit treaty law.

While public attention was riveted to the noisy battle over Indiana's "right-to-work" law, the Indiana legislature quietly passed resolutions in favor of each of these amendments. The Campaign for the 48 States expects similar action from other legislatures this year. To support its program, the organization is now circulating five films, explaining the need for each of the amendments. The films have been shown in over 30 cities. For information about having them shown over the TV station in your city, write to the Campaign for the 48 States, 312 Cotton States Building, Memphis, Tennessee.

**Tax Reduction:** As the surge against Big Taxes and Big Spending rolls on, more and more members of Congress are speaking out for economy. Last week, Representative Antoni N. Sadlak (R.-Conn.) whom many in the Capital had considered to be a "modern Republican," introduced a bill (H.R. 6452) which would reduce corporate and individual income taxes to a maximum of 42 per cent, diminishing the tax load for each bracket by a certain percentage annually over a period of five years.

Sadlak's plan would reduce taxes in various brackets as follows: from 20 to 15 per cent; from 34 to 19 per cent; from 50 to 23 per cent; from 91 to 42 per cent. The base tax paid by corporations would drop from 30 to 22 per cent, and the corporation surtax would fall from 22 to 20 per cent.

"The growing dissatisfaction with the income tax rate structure," Sadlak stated, "goes much deeper than normal taxpayer irritation with a heavy tax load. It reflects a growing recognition that there is something fundamentally wrong with a tax structure that penalizes hard work, risk taking and achievement."

**Revisionism:** The country-wide wave of disillusionment with President Eisenhower has sprung in large part from the realization (as a result of his extravagant Budget) that he knows little of economics. Former Vice President Jack Garner epitomized this developing view by suggesting that a soldier — however brilliant he may be in military affairs — has little understanding of economics.

Now in Washington, Ike's reputation for military sagacity is coming into question — particularly in view of the evident disintegration of NATO, of which the President as first Commander was the principal architect and proponent. Also, today, old warriors in the Army and Navy Club on Farragut Square can be found revising the popular legend of Ike as the commander of victory in Europe in 1944-45. Viscount Alanbrooke, Chief of the British Imperial Staff in the last war, in a recent book (see HUMAN EVENTS for February 23, 1957) characterized Ike as a pleasant man, but lacking in the qualities of tactics, strategy and command.

Similar critical views are heard nowadays as people review the final campaign against Nazi Germany. It is recalled that Ike failed to heed warnings from his Intelligence Service, in the fall of 1944, that the Germans were preparing a strong counter-offensive in the Ardennes. When the German thrust came, it proved a costly one for the Americans. Acording to old hands in G2, Chief of Staff Marshall took a rather disparaging view of Ike's ability and issued orders that all military decisions of our GHQ in Europe be thereafter cleared through the Pentagon. Thus, it is said, Marshall sitting in Washington literally ran the final campaign against Germany by remote control.

Actually, this picture of a less than impressive role played by Ike exculpates him from much criticism on the score that he held back American troops from entering Berlin, Prague and other areas, thereby allowing Red Russian troops to take those places. Even severe critics of Ike in the Army admit that he was simply carrying out orders from Washington. For — they say — Roosevelt at the 1943 Teheran Conference had sold out these Eastern European areas to Stalin.

In short, the verdict is one of Ike as an obedient subordinate, not of Ike as a brilliant commander.

**Book Event:** *No More Comrades* (Henry Regnery Co., $3.50) by Andor Heller contains Mr. Heller's eyewitness account of the heroic revolt of the Hungarians against the Comunist regime last October, as well as numerous vivid photographs he took of the revolutionary scenes in Budapest. Heller was a news photographer on one of the dailies of the Hungarian capital and was sent out of the country by the revolutionary government to circulate 300 negatives of the fighting in the free world. When he reached the U.S. he gave valuable testimony before the Senate Internal Security Subcommittee. This is a stirring book and, according to reports from the book trade, is meeting a widespread demand from readers.

All books reviewed or condensed in HUMAN EVENTS may be obtained, at the bookstore price, from The Bookmailer, Box 101 Murray Hill Station, New York 16, N. Y.

**Letter from JACK WESTLAND, U. S. Representative from Washington:** "I have been a constant reader of HUMAN EVENTS since first coming to Congress and I have found it to be a publication which accurately presents its case. While I may not always have been in agreement with the thought expressed in the articles, they nevertheless have stirred my mental processes into great activity and that's good. I look forward to receiving HUMAN EVENTS each week for it is one publication I always read."

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Article Section

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**This article is a condensation of *The Great Giveaway*, by Eugene W. Castle (copies may be obtained by sending $3.50 to HUMAN EVENTS, 1835 K St., N.W., Washington 6, D. C.) This book may have more influence upon Congress than any other volume published in 1957.**

**Castle, America's most effective critic of foreign aid, and author of *Billions, Blunders, and Baloney*, travelled tens of thousands of miles and visited many foreign countries to make this study. If you agree with his conclusions, write your Congressman and your two Senators. Buy extra copies of the book; mail them to others who are eager to help in the fight against wasteful spending.**

**The Administration proposes in fiscal '58 to spend $4.4 billion on foreign aid. Many students believe an ample sum would be $1.4 billions — to be spent on Formosa, South Korea, South Viet-Nam and a few other emergency situations. A saving of $3 billion on foreign aid would by itself make possible a cut of seven per cent in EVERY taxpayer's individual income tax.**

**If you want such a tax reduction, do your letter writing now. Still better, talk to your members of Congress. Get your friends and associates to do likewise.**

# THE GREAT GIVEAWAY

## A History and Analysis of America's Foreign Aid Program

*By* EUGENE W. CASTLE

DURING THE LAST TWO decades, Uncle Sam has actually given or loaned to other nations the stupendous sum of $108,847,770,000.*

Where it all began is not easy to specify, but as good a place as any to trace the start of the program is the Export-Import Bank in 1934.

Paradoxically, in view of the present anti-Sovietism of the foreign aid program, the Export-Import Bank was originally launched as a help-Russia project. After twenty-two years, the Bank is still functioning. Its original lending limits have been stepped up gradually from $100 million to its present $4.5 billion.

The United States found itself drawn again into the foreign affairs orbit with the outbreak of World War II in 1939. Since public opinion did not swing decisively to intervention until after Pearl Harbor in late 1941, we limited ourselves to Lend Lease — the arming of our friends during the first two years. This was the genesis of the present foreign aid program.

Originally, Lend Lease was a clever legal device, thought up by the legal division of the Treasury Department, to permit unlimited aid to the nations fighting Germany, while the United States remained technically neutral. A forgotten statute, dating from 1892, was dug up. This statute authorized the Secretary of War to lease army property "when in his discretion it will be for the public good."

Here was the entering wedge for the system of global aid which today has become a part of our foreign aid programs. In 1941, the prospect of American taxpayers' dollars being sent around the world, wherever any President chose to allocate them, seemed unthinkable to many. Nevertheless, there was strong opposition, as may be seen in the warning of such a man as Robert M. Hutchins, then President of the University of Chicago, who declared that it spelled "suicide" for America.

While the war was still in progress and we were in a giving mood, we found ourselves ushered into a vast postwar foreign aid program, pyramided on top of Lend Lease. This was the United Nations Rehabilitation and Relief Administration (UNRRA), designed to feed, clothe, house and rehabilitate the destitute of the war areas.*

NOW OUR STORY swings around to a new kind of foreign aid, beginning with the Truman Doctrine of March 12, 1947. By this Doctrine, which was later to be softened, President Truman promised to help free peoples, everywhere, against

* That is, slightly less than $109 billion.

*An unforeseen result of UNRRA was to help Russia cement its control over the eighty million Eastern European peoples. Herbert H. Lehman, its first administrator, allowed himself to be persuaded to distribute relief through the *de facto* Soviet-controlled governments in the conquered Eastern countries. This was a strategic victory for the Reds, who were thus able to appear in an attractive, humanitarian role before their subject peoples, while our taxpayers footed the bill.

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aggressive movements that sought to impose totalitarian regimes upon them. The first recipients were Greece and Turkey. Thus was born the Cold War, which by July, 1957, will have cost the American people $60 billion.

Shortly after the Greek and Turkish-aid program had been voted, the principal foreign policy advisers of the President decided, in effect, that the United States could achieve world peace by buying it. The Marshall Plan was the result. The theory of the Marshall Plan was that communism could be stopped if the United States helped the European states to achieve substantial economic recovery.

**Dean Acheson, then Under Secretary of State, explained the scope of the plan to a skeptical Congress in urging passage of the European Recovery Measure. Four years and seventeen billion dollars, and then no more, Acheson told the Senate and House Committees. It was with the understanding that this was to be the last billion dollar foreign-aid appropriation that the members of Congress passed it.**

Shortly thereafter, in 1949, Congress passed the Mutual Defense Assistance Act. In effect this Act committed us to underwrite NATO*— agreed to April 4, 1949 — by supplying arms and equipment to our eleven NATO allies beyond the amount that they were able to finance from their own budgets.

Without a breathing spell, ECA (Economic Cooperation Administration, the Marshall Plan agency) merged into Mutual Security. Soon a new administrative apparatus was set up in Washington — the Mutual Security Administration. In its first year, 1949, $814,000,000 was appropriated, in addition to the Marshall Plan funds, to finance foreign military aid. In the second year, 1950, the military-aid appropriation had risen to $5.5 billion.

The apparatus has experienced two changes of name since 1949, but the program we have today is essentially the same. In 1953, to signalize the incoming Republican Administration, MSA was transformed into FOA (Foreign Operations Administration). In 1955, it was rechristened ICA (International Cooperation Administration). Foreign assistance, instead of being an emergency and year-to-year program, became a permanent function of the Government of the United States.

What has this parade of giving agencies achieved? One way of judging is to note the following figures:

From the year 1792, when the first session of the first Congress convened, to 1950, when the current extravaganza swung into full stride, the Government collected $406 billion in taxes.

From 1950 through 1956, both fiscal years included, the Government collected $433 billion in taxes.

For $406 billion in 158 years we fought and won six wars.

For $433 billion in seven years we fought one war — in Korea, without victory; and we fought and are still fighting a Cold War that we have been losing ever since it began.

While that bare record does not reveal much net gain for our current program, our Government officials are unwilling to give us more information. The American taxpayer today is coming to know less and less about what his Government is doing with more and more of his money, particularly with respect to foreign aid. One Representative, who followed the foreign aid debates very closely both in committee and on the floor of Congress, summed it up this way:

"The foreign-aid program has become too complex. There is no accurate accounting and bookkeeping. It is too big for understanding. Most dangerous of all, a veil of secrecy is thrown about facts which Congress should know before voting on such a program. Information is classified as 'Secret' or 'Confidential.' Congress in effect is asked to sign a blank check. We are bolstering certain governments such as Yugoslavia, India and others who are not our friends, but who favor Russia. We are playing into Communist hands by weakening our own economy through these huge financial expenditures. We have failed to reach the people themselves in underdeveloped nations. At least two years of military aid money is still on hand unspent. The time has come for the American people to make it plain to the world that we cannot support the entire world, nor help those who will not, or do not wish to help themselves. Congress has a duty to perform and it should not shirk it."

THE CLOUD OF SECRECY surrounding foreign aid makes possible a number of sleight-of-hand tricks with the taxpayer's money. For example:

Under Public Law 480, our Government is authorized to ship abroad, at a loss to the taxpayers, up to $1.5 billion of farm products annually in addition to outright donations of half a billion dollars' worth of foodstuffs.

Our biggest deal through this back door was made with India in August, 1956. Over a three-year period India agreed to buy, at somewhat more than fifty cents on the dollar of what it cost the United States, large quantities of wheat, cotton, rice and tobacco, assorted dairy products, all to be shipped to India at the expense of the United States Government. The ocean freight charges were figured at $54.2 million.

* North Atlantic Treaty Organization

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The cost to American taxpayers, including freight —$706.5 million. The selling price—$360 million.

The loss to American taxpayers—$346.5 million.

In reality, the loss was much greater than this; the Indian Government imposed drastic restrictions on how the $360 million in rupees were to be spent. Fifty-four million dollars in rupees was to be returned to India as an outright gift. Two hundred and thirty-four million was to be loaned to India. The remainder, $18 million, was to be spent to pay United States expenses in India and to buy Indian goods. The goods, however, were not to be shipped to the United States but to other countries. And so it has gone.

Even without a system of rigid accounting, we know that our foreign aid spree has included the following items:

We gave $7 billion to Britain that helped bring that country the plight of the former Socialist Labor Government.

We poured more than $6 billion into France.

We gave more than $1 billion to the shaky government of Indochina before that country capitulated to the Reds.

We gave the Government of Norway $300 million, which they promptly applied to the reduction of their internal debt.

In Portugal our handouts have paid for a fifteen-mile, six-lane highway, connecting Lisbon with the gambling resort of Estoril.

American tax dollars have provided dress suits for Grecian undertakers, public baths for Egpytian camel-drivers, and even iceboxes for Eskimos!

We have built an Italian village nobody wanted to live in, and an Iranian road that leads to nowhere.

As knowledge of these ventures filters through to the public, there has sprung up a grass-roots demand, from all sections of the country, to re-examine honestly with a view of curtailing and eventually ending this directionless program of spending.

One of the most incisive critics of our non-stop peacetime foreign-aid commitment is Charles Sawyer, who was an able Secretary of Commerce in President Truman's cabinet. Mr. Sawyer had an important part in setting up the original Marshall Plan program. At first an enthusiastic supporter of foreign aid, his interest began to chill as he saw this announced four-year program confidently preparing for a permanent tenure.

On September 20, 1952, Secretary Sawyer was appointed by President Truman to head a committee to survey the economic "conditions and prospects" of Europe. After thorough investigation the committee declared:

"Permanent strength and stability for the Western European allies do not lie in continuing United States subsidies and grants but in expanding production and trade. Increased productivity per man day is the basic key to strength, and this is realized by many progressive businessmen in Europe. . . .

"It would appear that the adjustments required to absorb orderly termination of economic aid can be made. Additional aid and borrowings, other than military aid, can well come from private investment and the already established and operating lending agencies — the International Bank, International Monetary Fund and the Export-Import Bank."

**In addition, the Committee observed that "indefinite dependence on aid destroys self-respect, impairs the real strength of the recipient economy and has a capacity to destroy friendly relations between the giver and the recipient."**

WHAT IS STRIKING about this Sawyer Committee report is that it was published in 1952. Needless to say, President Truman, then near the end of his term, disregarded it. And, in the face of it, the Eisenhower agencies doggedly continued and expanded economic aid. Since Mr. Sawyer's words were penned, five additional fiscal years of peacetime economic aid have been pyramided upon the completed program of 1952.

In 1956 ex-Secretary Sawyer, now a prominent practicing attorney in the city of Cincinnati, Ohio, took a second look at the foreign aid program. He stated: "We have embarked upon a program we cannot sustain, even if our gifts were wisely bestowed and effectively used." Foreign aid careerists, he found, were gripped in the spirit of a "crusade — emotional, intolerant of criticism or even investigation." On the other hand, "those who dare question these activities are looked upon as isolationists, short-sighted 'penny-pinchers,' lacking in vision."

Mr. Sawyer listed some of the chief fallacies in the foreign aid program:

"Neither individuals or nations are made friendly or even grateful by handouts. Those who are given money soon think it is owed to them . . . The assumption that the more money we give away the more good we accomplish is also wrong — It is wrong because the emotions which really influence people, pride, face-saving, age-old customs, racial, religious and national enthusiasms or prejudices — are ignored. . . . It is wrong because it leads to frantic efforts on the part of our representatives in other countries to stir up projects which have not been requested and, in many cases, are not wanted by the recipients of the bounty."

From the remarks of Mr. Sawyer, and the studies of other authoritative critics, we can set down at least eight specific reasons for the failure of our foreign aid program:

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1. It has grown up haphazardly without coordinated relationship to any long-range foreign policy.

2. It has become a distinct deterrent to the working out of a rational foreign policy since every move is first predicated upon the giving of money. It deludes many Americans into thinking that the answer has been found to our foreign policy dilemma.

3. Our false sense of security is frequently bolstered by the self-deceiving pronouncements of the United States Information Agency.

4. Instead of aiding many of the recipient countries, such subsidization immobilizes them. The initiatives and the risks which would bring sound and balanced recovery remain untried when Uncle Sam is standing by, checkbook in hand, anxious and ready to wipe out the red ink of all the other nations of the world. The United States, through its mistaken aid policies, has probably retarded the return of many free nations to normalcy by several years. In some parts of the world we have prolonged economic dislocation instead of removing it.

5. Frequently we are swept beyond the boundaries of our true national interest into areas of the world where we should never have become involved. By accepting the role of global almoners, we have become a nation of international busybodies, rushing from trouble-spot to trouble-spot with our doubtful remedy of dollars.

6. While we thinly spread our strength throughout the world, our home front develops dangerous gaps in its defenses. We have cut back our orders for B-52s largely because we spend money on questionable experiments in the remote and unrewarding areas of the world.

7. Great though our resources may be, the American taxpayer cannot afford the ever-mounting cost of the foreign aid program. For more than two decades, the United States has lived in a deficit economy. During these years, our national debt has towered up from $19,487,002,444 in 1932 to $274,374,222,802 today. Overhanging every man, woman, child and babe-in-arms in America is a built-in per capita national indebtedness of $1,660.56.

8. Private initiative, which has the driving necessity of showing a profit and which cannot unload its mistakes upon the taxpayer, does the job infinitely better. Our foreign aid program has paid lip service to private investment, but in practice it supplants the private investor. It interposes the sterile hand of the state between human wants and demands, and the private initiative which can supply them. The political promoter and the global headline-hunter replace the economist and the technician.

ON THE WHOLE, it seems long-since necessary to look closely at what has been done under the slogan of Mutual Security. Let us have an audit, fair and impartial. Demand for such an accounting has been rising for years. In 1956 it crescendoed. Congress heard it. Washington's bureaucracy heard it and sought to smother it, but failed. In answer to the nation-wide demand, three investigations of the Mutual Security program were ordered.

One was undertaken at the direction of the President, another by the House Committee on Foreign Affairs, and a third by the Senate Committee on Foreign Relations — the group which tried to restore foreign aid authorizations cut out by the House.

How impartial can be the findings of a group investigating the activities of Administration with which many of the participants have been personally identified? What, it may be asked, could be expected of a group of bank clerks called to investigate the irregularities of their own bank?

These triple investigations of the Mutual Security program were largely investigations by bureaucracy of bureaucracy. What is sorely needed is sterner stuff; not whitewash, but an unvarnished audit by skilled and thoroughly impartial investigators without any previous tie to foreign aid, and devoid of Government pressure and influence.

The voices to demand, and get, such an audit, must be those of home folk. A Representative from a Pennsylvania district is alert to the voices of the voters there; he may be stone deaf to the voices coming to him from Missouri, Texas or California. The voices coming from those who hold the power to return or reject the Senator or Congressman are potent indeed.

If the opponents of foreign aid and its ever-growing tax burdens can be aroused to a much greater degree than they have been thus far, the reaction of Congress can come quickly. Nations of the old world have fallen into decay and ruin because their citizens have been indifferent to the excesses, false promises and failures of those who govern them. We must not let this happen here.

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